weekly economic review

July 26, 2013

Average Weekly Earnings

Earnings growth accelerates

Alberta's average weekly earnings jumped 1.3% in May to $1,114 per week, following two months of little change. Earnings were 4.9% higher than the same month last year, the strongest increase in nine months. This reflects a large gain in hourly wages. At the industry level, year-over-year earnings growth was strongest in transportation and warehousing, construction, administrative and support, waste management and remediation, and real estate, rental and leasing.

Nationally, average weekly earnings increased 0.9% to $915, and were 2.5% higher than May 2012. All ten provinces saw year-over-year increases, with Alberta posting the largest gain.

Retail Sales

Consumer spending up sharply, led by autos

Alberta's retail sales posted another strong gain in May, increasing to $6.1 billion. Sales were up 1.6% from the previous month and up an impressive 7.9% compared with May 2012. The year-over-year increase was led by higher spending at automobile dealers (16.0%) and food and beverage stores (5.7%). Alberta posted the highest year-over-year and year-to-date increase among the provinces in May.

Canadian retail sales recorded the strongest monthly increase in over three years. In May, sales were up 1.9% from the previous month and up 3.6% compared with the same month last year. All ten provinces and most retail categories posted increases.

New Housing Investment

Strong gains posted in Alberta, bucking national decline

Alberta's investment in new housing jumped 12.0% year-over-year in May, the eighteenth month of double-digit growth. Growth was broad-based as duplex dwellings (27.1%), row dwellings (20.6%) and apartments (32.5%) continued their strong upward trend. Single dwellings growth was more modest (5.5%), tempering the increase for total investment as this category accounts for roughly two-thirds of overall investment. New housing investment is up 14.9% year-to-date.

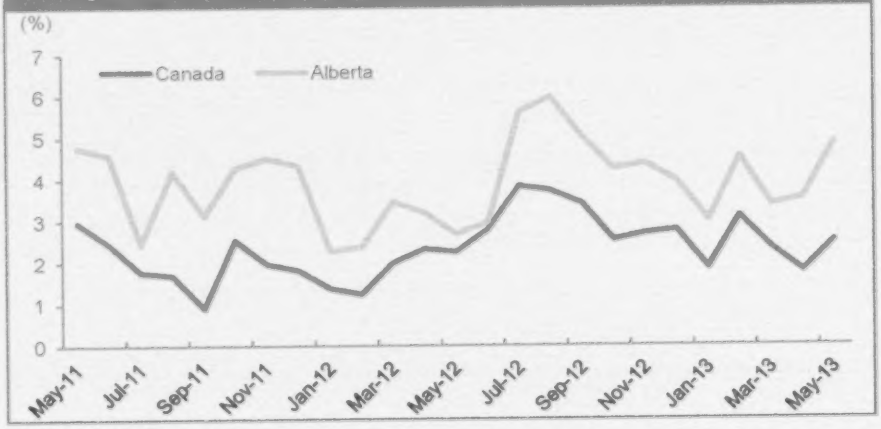
Nationally, new housing investment fell for the second straight month, down 5.3% compared with May 2012. This was due to a sharp fall in single and row dwelling investment, which more than offset the small gains in duplex and apartment dwellings.

US New Home Sales

US new housing market builds momentum

June sales of new homes in the US increased 8.3% over May, rising to the highest level in five years. Sales were up 38.1% over June 2012, with the median selling price up 7.4%. Year to date, sales have increased 28.4% as the US housing market continues to heat up after a long period of stagnation. New homes are spending less time on the market: the median time between completion of a new home and sale has fallen to 3.9 months from 5.8 a year ago.

Average Weekly Earnings (year-over-year change)



Source: Statistics Canada

Closing Price	July 18, 2013	July 25, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	96.19	97.25	97.30
WTI Oil ($US/bbl)	108.04	105.49	96.50
NYMEX Natural Gas($US/MMBtu)	3.81	3.64	3.78

Alberta Economic Indicators

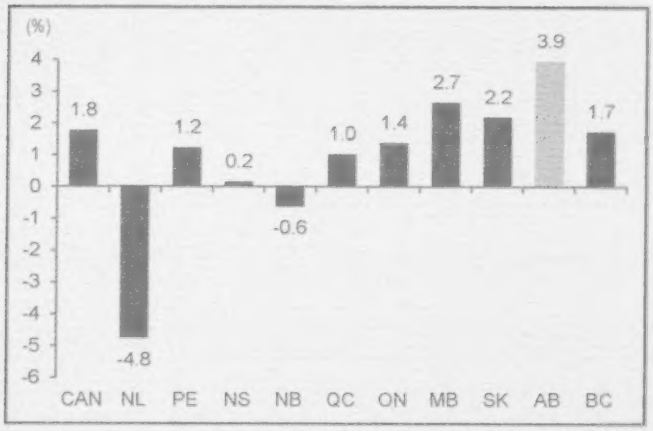
Population	2011	2012	2013YTD	Jan	Feb	Mar	Apr	May	June
Population (000's)	3,778	3,874	3,965	3,931	..	..	3,965	..	..
y/y % change	1.5	2.5	3.0	3.0	..	..	3.2	..	..
Net Interprovincial Migration[1]	8,443	28,170	38,886	11,533	..	..	13,436	..	..
Net International Migration[1]	16,703	37,990	30,779	6,296	..	..	13,674	..	..
Net Non-permanent Residents[1]	-7,604	9,721	9,762	1,133	..	..	6,949	..	..
Labour Market									
Employment (000's), SA	2,094	2,150	2,184	2,175	2,179	2,168	2,183	2,201	2,201
y/y % change	3.8	2.7	2.1	1.9	2.5	1.7	1.9	2.3	2.6
Unemployment Rate (%), SA	5.5	4.6	4.7	4.5	4.5	4.8	4.4	4.8	5.0
Participation Rate (%), SA	73.7	73.4	72.9	72.9	72.9	72.6	72.5	73.3	73.1
NEW: Average Weekly Earnings ($), SA	1,035.75	1,072.95	1,099.04	1,083.82	1,099.51	1,098.08	1,099.83	1,113.94	..
y/y % change	4.4	3.6	3.9	3.0	4.5	3.4	3.5	4.9	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.2	0.5	0.9	1.2	1.3	2.3	2.3
Excluding food and energy	0.8	1.3	1.2	0.8	1.4	1.2	0.9	1.1	1.6
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	1.4	..	..	1.4	..	..	..
Farm Product Price Index (y/y % change)	17.7	6.4	4.6	4.1	5.2	4.4	..	..	..
Crops	18.7	6.5	9.3	8.7	9.8	9.3	..	..	..
Livestock	16.9	6.2	-0.2	-0.2	1.1	-0.1	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	37.3	31.0	35.4	35.1	40.4	43.1	38.7
y/y % change	5.1	29.9	11.5	18.4	10.9	-1.0	1.8	28.5	14.6
New Housing Price Index[2] (y/y % change)	0.4	1.3	2.4	2.2	2.6	2.4	2.5	2.7	..
Edmonton	0.9	0.9	0.6	0.9	1.0	0.6	0.4	0.2	..
Calgary	-0.1	1.7	4.4	3.3	4.3	4.3	4.7	5.3	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	375.8	367.6	380.1	380.4	374.6	376.2	376.0
y/y % change	0.5	2.6	4.6	6.6	4.5	5.9	3.5	3.0	4.0
Edmonton ($ 000's)	324.2	332.7	343.5	337.6	344.0	348.9	345.5	340.2	344.7
y/y % change	-0.7	2.6	3.2	1.6	2.8	5.4	2.8	2.5	3.8
Calgary ($ 000's)	401.9	410.8	429.2	422.5	436.7	433.9	420.4	427.2	434.3
y/y % change	1.1	2.2	6.1	12.4	5.7	6.3	3.8	3.6	5.2
NEW: Retail Sales, SA (y/y % change)	6.5	6.9	6.6	4.5	7.7	5.4	7.3	7.9	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	7.4	3.6	6.5	-0.1	19.7	7.0	..
Consumer Bankruptcies	7029	5759	1751	446	412	429	464	..	..
y/y % change	-13.8	-18.1	-18.2	-13.7	-22.7	-24.5	-11.3	..	..
Business Sector									
Rigs Drilling	286	250	303	368	422	306	115	88	115
y/y % change	30.4	-12.6	-9.5	-8.2	-8.1	-9.4	-18.2	0.0	-17.3
Goods Exports, customs based (y/y % change)	18.4	1.8	3.0	1.3	2.0	0.0	1.0	11.7	..
Energy	19.2	2.1	3.0	1.0	3.9	-1.4	0.4	12.3	..
Farm, Fishing and Intermediate Food	27.2	20.6	3.1	3.8	6.7	5.4	6.4	7.1	..
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	..	..	9.3	..	..	..
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	-2.0	3.5	-1.1	-3.3	-3.4	1.5	..
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.3	3.1	6.4	2.7	-0.3	0.0	..
Building Permits, SA (y/y % change)	11.8	14.8	17.8	24.7	19.9	38.6	11.4	-0.8	..
Residential	5.2	18.2	14.4	21.2	7.8	14.6	18.4	11.2	..
Non-residential	20.9	10.7	22.0	30.6	36.1	72.1	5.1	-14.9	..
Business Bankruptcies	264	230	51	10	14	12	15	..	..
y/y % change	30.2	-12.9	-39.3	50.0	-44.0	-36.8	-25.0	..	..

1 Quarterly, annual numbers are presented on a census year basis (July 1– June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

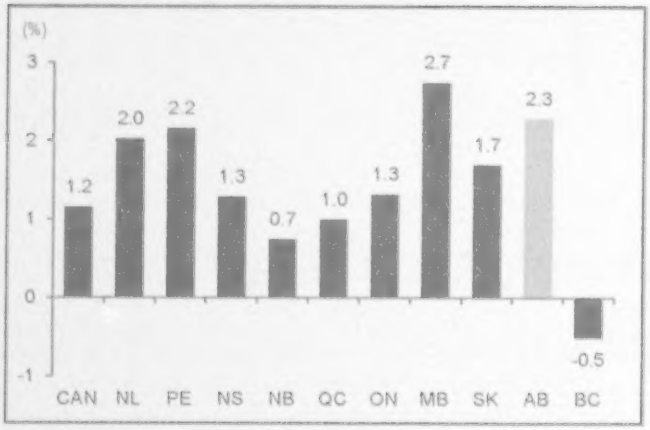
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

Economic Indicators by Province

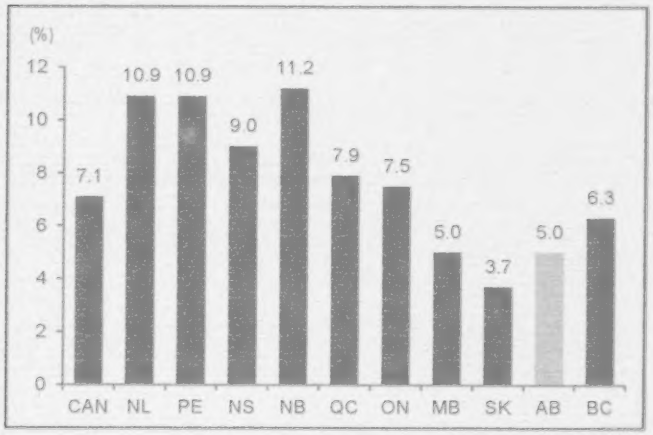
Real GDP by Industry
(2012, year-over-year growth)



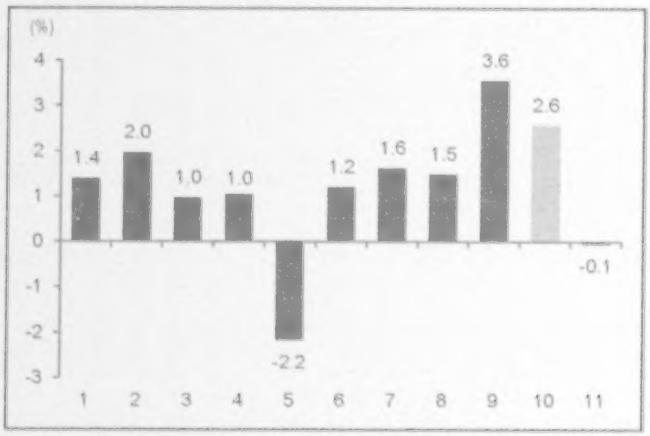
CPI Inflation
(June 2013, year-over-year growth)



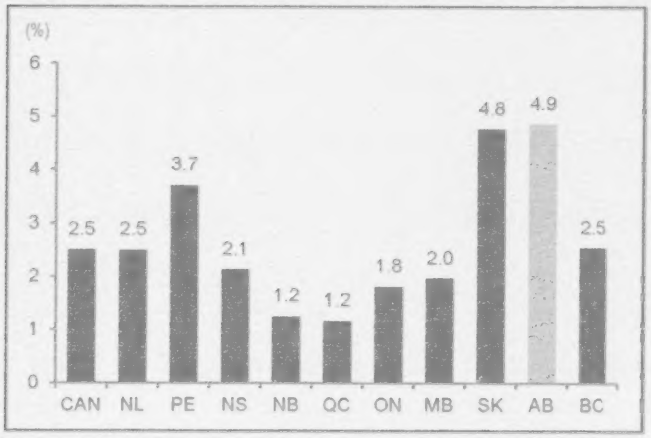
Unemployment Rate
(June 2013)



Employment
(June 2013, year-over-year growth)



Average Weekly Earnings
(May 2013, year-over-year growth)



Housing Starts
(June 2013, SAAR, year-over-year growth)